



DEPARTMENT OF STATE

Washington, D.C. 20520

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February 2, 1971

MEMORANDUM FOR MR. HENRY A. KISSINGER
THE WHITE HOUSE

Subject: Weekly Report on Cambodia No. 24

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Political and Diplomatic Developments

1. Establishment of Diplomatic Relations. The GKR cabinet has agreed to accredit Cambodian ambassadors in Singapore and Canberra to Malaysia and New Zealand respectively when diplomatic relations are established with the latter two countries, probably during a visit by the Cambodian Foreign Minister in February. The cabinet turned down, for financial reasons, a proposal to open Cambodian embassies in the Congo (K) and Ivory Coast. (The GKR is now represented in Africa only by a Chargé d'affaires in Dakar.)

2. Cambodian-RVN Incidents. A fracas in Phnom Penh January 30 between RVN sailors and Cambodian military police, which left one killed and 12 wounded, is likely to place further strains on GVN-GKR relations. On the other hand, the announcement January 29 of the establishment of a mixed Cambodian-Vietnamese commission to investigate incidents will help satisfy Cambodian opinion. We are urging both governments to act promptly

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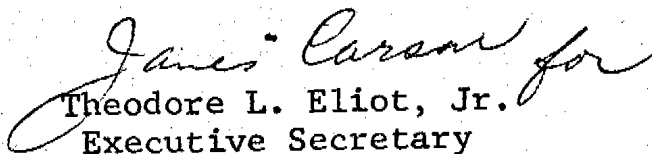
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on the long-standing problem of the exchange rate between their two currencies, since some of the disputes stem from the fact that Vietnamese troops in Cambodia are unable to obtain local currency.

U.S. Aid

1. POL Shipments. Arrival of a POL convoy via the Mekong and another by road from Kompong Som has made it possible to terminate airlifting of petroleum products.

2. GKR Military Expenditures and Force Levels. We have outlined for the Embassy, in a joint State-AID-Defense message, our view that Cambodian economic stability and the effectiveness of our economic aid program will depend on keeping Cambodian military expenditures, and hence force and pay levels, to approximately the levels assumed in our planning to date. We plan to instruct the Embassy, after we have its comments, to negotiate an understanding that the GKR will not increase its regular military forces over 220,000 without previous consultations with us. The 220,000 figure is based on our own and GKR estimates of forces required, and corresponds roughly to the number which we estimate can be trained by the end of FY 1972.


Theodore L. Eliot, Jr.
Executive Secretary

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